

FISCAL NOTE

SB 1629 - HB 1562

March 18, 2003

SUMMARY OF BILL: Increases the state sales tax on broadband communications services from 6% to 8.25%.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - \$1,350,000

Estimate assumes:

- 150,000 subscribers would be subject to the tax at an average payment of \$400. Therefore, the tax base would be $150,000 \times \$400 = \$60,000,000$.
- the difference between the current rate of 6% and 8.25% is 2.25%. Therefore, the increase in revenue to the state is calculated as $\$60,000,000 \times 2.25\% = \$1,350,000$.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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